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QUARTERLY REPORT

Project WP#474: Integrated Internal Inspection and Cleaning Tool **Technology for Pipelines**

December 31, 2010 For Period Ending:

Contract No: DTPH56-10-T-000011

Prepared For: United States Department of Transportation

Pipeline and Hazardous Materials Safety Administration

Office of Pipeline Safety

Prepared By: John O'Brien

> Principle Investigator PRCI Consortium T 713-372-7220 F 713-372-6800 jobrien@chevron.com

Mr. Ian Wood Mark Piazza

Team Project Manager Electricore, Inc.

27943 Smyth Drive, Suite 105

Valencia, CA 91355

ian@electricore.org

Team Technical Coordinator Pipeline Research Council, Intl. 3141 Fairview Park Drive, Ste 525

Falls Church, VA 22042

mpiazza@prci.org

Project WP#474: Integrated Internal Inspection and Cleaning Tool Technology for Pipelines

Background

The primary objective of the project is to develop an integrated and scalable cleaning and inspection tool that measures, records, and provides analysis of a range of parameters during conventional pipeline cleaning runs. Data collected will be used in trending and prioritization for indications of changing environments to improve integrity management through earlier response to integrity threats.

Progress in the Quarter

Technical activities undertaken through the first quarter focused on the following tasks:

Task 1 Project Kickoff: The project kick off meeting was completed in Houston December 8, 2010 and comprised PRCI, Electricore PHMSA and a number of other PRCI supporting members. The team scheduled the kickoff meeting to establish a clear understanding among all project participants on the scope and goals for the project. It included a complete review of project activities and tasks (including work completed to date - i.e., development of preliminary specifications for the integrated tool), schedule and payment milestones, responsibilities and lines of communication, and project deliverable and expected outcomes. The team prepared a presentation and will submit it to DOT. The notes and meeting minutes submitted in an appendix to this quarterly report.

Meeting participants included:
Al Schoen – DOT PHMSA AOTR
Ian Wood, Electricore, Program Leader
Spencer Quong, Electricore, Project Manager
John O'Brien – Principal Investigator, PRCI Program Leader
Albert van Roodselaar – PRCI Technical Leader
Shawn Miller – Dominion Pipeline, PRCI Project Team Member
Mario Pezzi Filho, Petrobras, PRCI Project Team Member (via teleconference)
Evelyn Choong, Enterprise Products, PRCI Project Team Member (via teleconference)
Rick McNealy, Applus RTD, PRCI Project Team Member (via teleconference)
Mark Piazza, PRCI Program Technical Coordinator

A number of project logistic details were discussed and affirmed for the project. The key members of the project are:

- Electricore is the prime contractor with PHMSA and will interface with the AOTR
- Electricore will manage the finance and administrative aspects of the project.
- John O'Brien of Chevron is the co-principal investigator and will be supported by Albert van Roodselaar of Chevron who will lead the technical program.

Task 2 Requirements Development: This item is in progress and was compiled in some degree to draft form by an industry 'brainstorming session held in Galveston in May 2010. This work session included project members, pipeline operators and a selection of personnel from the pipeline vendor community. This task is due December 31 2010 and will be completed on schedule but not reported until the next quarterly report in March 2011.

Plans for Future Activity

Planned activities for the next quarter are presented below.

Task 2—Requirements Development: The team will complete functional specification and publish the results in order to provide the benchmarking with the sensor suppliers in Task 3.

Task 3—Sensor Technology Development and Assessment: The team will order and take delivery of a number of 16 inch cleaning pigs to allow sensor developers an appreciation of the end target. They will also continue sensor screening against functional specification and develop a selection grading tool.

Task 10—the team will complete the required monthly and quarterly reports and meet via teleconference on a weekly or bi-weekly basis. The team will also participate in a project consultation meeting with PRCI Sponsors at the PRCI Research Exchange Meeting Atlanta GA.